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Supreme Court of the United States

October Term, 1979

No. 79-837

MILLER BREWING COMPANY,

Petitioner,

v.

JOS. SCHLITZ BREWING COMPANY,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Opinion Below

The opinion of the Court of Appeals for the Seventh Circuit in this case is reported at 605 F.2d 990.

Additional Statutes

Additional statutes of interest to this case include the Lanham Act provision giving courts the power to order the cancellation of trademark registrations, and the current statute governing appeals from preliminary injunction orders. 15 U.S.C. 1119; 28 U.S.C. 1292(a)(1).

The relevant portions of these statutes are as follows:

"*Remedies—Power of court over registrations*

In any action involving a registered mark the court may determine the right to registration, order the cancellation of registrations, in whole or in part, restore cancelled registrations, and otherwise rectify the register with respect to the registrations of any party to the action . . ." (15 U.S.C. 1119)

"*Interlocutory Decisions*

(a) The courts of appeals shall have jurisdiction of appeals from:

(1) Interlocutory orders of the district courts . . . granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions, except where a direct review may be had in the Supreme Court; . . . ." (28 U.S.C. 1292(a)(1))

Questions Presented

(1) Whether a decision by both courts below granting collateral estoppel effect to a ruling in an earlier case that "light beer" is a generic designation, and consequently that "light" is a generic word when applied to beer, so that neither "light" nor its phonetic equivalent "Lite" can be appropriated as a trademark for beer, warrants review by this Court.

(2) Whether an order cancelling plaintiff's trademark registrations for "Lite" for beer, because "Lite" cannot be appropriated as a trademark for beer, warrants review by this Court.

Supplemental Statement of the Case

The background facts are not in dispute. See *Miller Brewing Co.* v. *G. Heileman Brewing Co.*, 561 F.2d 75, 77-8 (7th Cir. 1977). Some of the relevant facts not mentioned in the petition are the following.[1]

I. *Heileman* Record

Portions of the record in the *Heileman* case, upon which respondent's collateral estoppel defense is based, were made of record by respondent in the present case. Some of the relevant portions have been reproduced in attached Appendices A, B, C and D.

The Generic Issue in Heileman. The excerpts from the *Heileman* case in Appendix A are assertions by petitioner in that case concerning the issue of whether "light" and "Lite" are generic terms when applied to beer. They include the following:

> ". . . Heileman is, plainly, addressing the principal issue in this case: Is LITE the phonetic equivalent of 'light', subject to appropriation as a trademark for beer? Certainly if it is not, Miller cannot prevail."
>
> * * *
>
> "To summarize, very simply, if LITE (the phonetic equivalent of 'light') for less-filling, low calorie

1. The petition also refers to an ex parte amendment broadening the statement of goods in petitioner's registrations for "Lite", which was made without leave of court after the District Court in this case ordered the Commissioner of Patents and Trademarks to cancel the registrations, and after petitioner had obtained a stay of the cancellation order for purposes of appeal. This ex parte action can have no retroactive effect on the decisions already rendered, and in any event, the Court of Appeals in *Heileman* stated that its decision would be the same whether or not petitioner is entitled to the *prima facie* presumptions that would be derived from applicable registrations. *Id.*, 561 F.2d at 79.

beer is generic, Heileman may use LIGHT for such product in any manner it chooses." (App. A, pp. 1a-2a)

". . . There are, then, four categories of trademarks or would-be trademarks. First is the generic, called 'common descriptive name' in the Lanham Act, which can never become a trademark."

". . . The question is whether it [Lite] is generic for such beer." (App. A, p. 3a)[2]

No Need for an Evidentiary Hearing in Heileman. The excerpts in Appendix B are from the same papers in which petitioner characterized the generic issue as "the principal issue" in the *Heileman* case. They are assertions by petitioner that there was no need for an evidentiary hearing in that case, and include the following:

". . . [Heileman] . . . notes that there was no 'evidentiary hearing' but neither indicates nor suggests any significant fundamental fact in dispute which would have been resolved by such a hearing.

* * *

". . . This case was brought before the District Court on a voluminous record, in which there were few if any disagreements as to fundamental facts.

* * *

"Heileman . . . has yet to suggest what such a hearing would have produced; there is no significant fundamental fact in dispute." (App. B, p. 7a)

2. It should also be noted that the first affirmative defense in the Heileman Answer, filed December 22, 1976, was that the word "light" is a common descriptive or generic term. Moreover, the first affirmative defense in the respondent's Answer, filed December 18, 1975, was the same; and while the *Heileman* appeal was pending, petitioner stated to the Judicial Panel on Multi-District Litigation that it was ready for trial in the present case.

The Dispositive Effect of the Heileman Decision. The excerpts in Appendix C are assertions by petitioner, prior to the Court of Appeals ruling in the *Heileman* case, concerning the potentially dispositive effect of that ruling. They include the following:

". . . An authoritative ruling on some of the issues raised by Appellant seems likely to affect and shorten the course of several other pending litigations.

* * *

". . . Miller recognizes that if it loses either of those cases on the merits [*Heileman* or *Peter Hand*], prosecution of the others may be futile." (App. C, pp. 9a-10a)

Petition for Certiorari in Heileman. Following the Court of Appeals decision in *Heileman*, petitioner filed a petition for a rehearing *en banc*, and then a petition for a writ of certiorari to this Court. Both petitions were denied. In both of these petitions, petitioner raised many of the same points that are again raised in its current petition.

A copy of the front cover and pages 6 to 13 of the petition for a writ of certiorari in *Heileman* are attached as Appendix D. These pages show that petitioner has previously placed before this Court its assertion that it has been denied a full hearing on the question of whether Lite (or light) is generic, and its assertion that the Court of Appeals erred in the legal standard it applied for determining what is generic.

II. Other Facts in This Case

The only evidence petitioner has asserted in this case, which was not of record in the *Heileman* case, concerns a so-called post-*Heileman* survey. (Petition, pp. 20-22)

No steps were taken by petitioner to introduce the results of this survey until *after* the District Court had ruled in respondent's favor.

The survey results were submitted with a motion by petitioner to vacate the District Court's judgment, after the District Court had ruled in respondent's favor on the record that had been introduced. This was some 5½ months after petitioner's time expired for answering respondent's motion for a partial summary judgment, and some 2½ years after the generic question had been placed in issue in this case.

The basis for this belated submission was asserted to be that the survey results constitute "newly discovered evidence".

Admission of the survey results was objected to by respondent on the grounds that they clearly fail to qualify as newly discovered evidence, and the survey was designed to elicit brand identification.[3]

3. The survey results actually support the generic ruling in the *Heileman* case. Two of the products involved in the survey were petitioner's Lite beer and Seagram's Seven Crown blended whiskey, both of which have at least two product names (namely, "beer" and "light beer", and "whiskey" and "blended whiskey"). The existence of two names for a product necessarily divides the answers one gets to a question asking what the product name is. The survey results show that the product name ascribed to Lite beer was "beer" by 63% and "light beer" was 23%, while the product name ascribed to Seagram's Seven Crown was "whiskey" by 68% and "blended whiskey" by 15%. Thus, according to this survey, "light beer" is a more common product name for petitioner's Lite beer by a 50% margin (23%/15%), than "blended whiskey" is for Seagram's blended whiskey.

III. Rulings by Other Courts

No other Court of Appeals has yet ruled on the question of whether "light" is generic when applied to beer. However, two District Courts, in ruling on motions before them in "Lite beer" cases, have found "light" to be generic, and one other District Court referred to the product as being "light beer". These are as follows:

Olympia Brewing Case[4]

> "Miller cannot prohibit Olympia or any other brewer from using the term 'light' as it is a generic or common descriptive term in the brewing industry and is in the public domain."

Anheuser-Busch Case[5]

> "In our judgment, 'light beer' is a generic name and 'light' or its phonetic equivalent is a generic or *common* descriptive term as applied to beer and for that reason could not be exclusively appropriated by Miller as its trademark, despite whatever advertising blitz or other promotional effort Miller may have undertaken to exploit it."

Carling-O'Keefe Case[6]

> ". . . Miller and Carling are competitors selling basically the same product—light beer . . ."

4. *Miller Brewing Company* v. *Olympia Brewing Company,* USDC for the Western District of Washington, No. C77-65T, Order Denying Plaintiff's Motion for Preliminary Injunction, filed February 27, 1978.

5. *Anheuser-Busch, Inc.* v. *Miller Brewing Company,* USDC for the Eastern District of Missouri, Eastern Div., No. 77-100C (B), Memorandum, filed August 17, 1978.

6. *Miller Brewing Co.* v. *Carling-O'Keefe Breweries,* 452 F. Supp. 429, 441 (W.D.N.Y. 1978). This case concerned petitioner's trademark "High-Light", as well as "Lite".

In addition, since the decision by the Court of Appeals in the present case, the District Court handling the *Heileman* case has ruled that petitioner had a full and fair opportunity to litigate in that case, and dismissed petitioner's complaint in that case insofar as it is based upon petitioner's claimed trademark rights in "Lite."[7] And another District Court has held that the *Heileman* ruling on the generic issue is entitled to collateral estoppel effect.[8]

7. *Miller Brewing Company* v. *G. Heileman Brewing Co., Inc.*, USDC for the Western District of Wisconsin, 76-C-584, Order entered September 13, 1979. (App. E)

8. *Miller Brewing Company* v. *Erie Brewing Company*, USDC for the Western District of Pennsylvania, Civil Action No. 77-18 Erie, Memorandum Granting In Part Defendant's Motion For Summary Judgment, Nov. 1, 1979. (App. F)

ARGUMENT

I. The *Heileman* Decision

In the *Heileman* case, the Court of Appeals reviewed the District Court's grant of a preliminary injunction, and in doing so, found an insuperable obstacle to the petitioner's claimed trademark rights in "Lite" for beer, and disposed of the counts based upon those rights.

The court's ruling was:

> "... We hold that, because 'light' is a generic or common descriptive word when applied to beer, neither that word nor its phonetic equivalent may be appropriated as a trademark for beer." *Miller* v. *Heileman, supra,* 561 F.2d at 77.

The court found that if "light beer" is a generic name, then "light" is a generic word when used as part of that name. *Id.,* 561 F.2d at 80; *Miller* v. *Schlitz, supra,* 605 F.2d at 994.

The statutes authorizing appeals of interlocutory injunctions have consistently, from the time of their initial enactment in 1891, been construed to bring up the entire case for appellate review. 28 U.S.C. 1292(a)(1); *Smith* v. *Vulcan Iron Works,* 165 U.S. 518 (1897); *Mast, Foos & Co.* v. *Stover Mfg. Co.,* 177 U.S. 485 (1900); *Myers* v.

Bethlehem Corp., 303 U.S. 41 (1938).[9] And if the reviewing court finds an "insuperable obstacle" to the plaintiff's case, "in point of jurisdiction or merits," a final disposition of the case should be made. *U.S. Fidelity Co.* v. *Bray*, 225 U.S. 205 (1912); 7 *Moore's Federal Practice* (1975) §65.21, p. 65-156; 11 *Wright and Miller, Federal Practice and Procedure*: Civil (1973), §2962, p. 629; Wright, Federal Courts (1963 Ed.) p. 400, (1976 Ed.) p. 513.[10]

Thus, the *Heileman* ruling that "light" is generic when applied to beer, and that consequently neither "light" nor its phonetic equivalent "Lite" can be appropriated as a trademark for beer—which presented an insuperable obstacle to petitioner's trademark claims based on "Lite"—was clearly authorized by long settled law.[11]

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9. See, also, *Harriman* v. *Northern Securities Co.*, 197 U.S. 244 (1905); *Ex parte National Enameling Co.*, 201 U.S. 156 (1906); *Metropolitan Co.* v. *Kaw Valley District*, 223 U.S. 519 (1912); *Denver* v. *New York Trust Co.*, 229 U.S. 123 (1913); *Meccano, Ltd.* v. *John Wanamaker*, 253 U.S. 136 (1920); *United States* v. *Corrick*, 298 U.S. 435 (1936); *Deckert* v. *Independent Corp.*, 311 U.S. 282 (1940); *Youngstown Co.* v. *Sawyer*, 343 U.S. 579 (1952).

10. This rule has been applied in trademark suits as well as others. *Castner* v. *Coffman*, 178 U.S. 168 (1900) closely parallels the *Heileman* case. There this Court affirmed a Court of Appeals decision which dismissed the complaint after finding an asserted trademark to be generic in its review of a preliminary injunction grant. And see *CES Publishing Corp.* v. *St. Regis Publications, Inc.*, 531 F.2d 11 (2nd Cir. 1975) (involving a finding of genericism by a Court of Appeals in its review of a preliminary injunction denial); and *Triumph Hosiery Mills, Inc.* v. *Triumph International Corp.*, 308 F.2d 196 (2nd Cir. 1962).

11. Petitioner questioned below whether the *Heileman* decision was intended to be a final disposition of the generic issue, and the Court of Appeals (which decided both the *Heileman* case and this case) held that it was. *Miller* v. *Schlitz, supra*, 605 F.2d at 995-6; also see App. E and F.

II. Collateral Estoppel

This Court reviewed the doctrines of collateral estoppel and mutuality in the celebrated *Blonder-Tongue* case, and rejected the rule that considerations of mutuality preclude the application of collateral estoppel against a litigant who has previously unsuccessfully litigated an issue against another.[12]

Burden of Proof. While collateral estoppel is an affirmative defense that must be pleaded, once respondent pleaded this defense, and made the *Heileman* decision of record in this case, the burden of showing why an estoppel should not be imposed fell on the petitioner. This was discussed in *Blonder-Tongue* as follows:

> ". . . Petitioner should be allowed to amend its pleadings in the District Court to assert a plea of estoppel. Respondents must then be permitted to amend their pleadings, and to supplement the record with any evidence showing why an estoppel should not be imposed in this case. If necessary, petitioner may also supplement the record." 402 U.S. at 350

See, also, 50 C.J.S. Judgments, §837, p. 405; *Connelly* v. *Wolf, Bloch, Schorr and Solis-Cohen*, 463 F. Supp. 914, 918 (E.D. Pa., 1978); and *Cf. Esenwein* v. *Commonwealth*, 325 U.S. 279 (1945).

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12. *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 (1971) (involving the issue of patent invalidity); and see *Parklane Hosiery Co.* v. *Shore*, 439 U.S. 322 (1979) (where the Court observed that the mutuality requirement was abandoned in *Blonder-Tongue*).

Petitioner has introduced no evidence whatever "showing why an estoppel should not be imposed in this case." *Cf. Paridy* v. *Caterpillar Tractor Co.*, 48 F.2d 166, 168-9 (7th Cir. 1931); *Guam Investment Company* v. *Central Building, Inc.*, 288 F.2d 19, 23 (9th Cir. 1961).

Thus, while petitioner asserts that the *Heileman* case did not afford a full and fair opportunity to litigate the generic issue, the only evidence of record as to what transpired in the *Heileman* case comprises the reported opinions rendered in that case and the excerpts made of record in this case by respondent—some of which appear in Appendices A to D.

This evidence shows that the generic issue was considered by the parties to be "the principal issue" in the *Heileman* case, and it shows no reluctance on petitioner's part to have the Court of Appeals treat that issue on the record that had been developed in the District Court in that case. Indeed, it shows that while petitioner there represented the generic issue to be the principal issue in the case, it argued that the case was brought before the District Court on a voluminous record, that there was no significant fact in dispute, and that no purpose would be served by an evidentiary hearing. (App. A & B, pp. 1a-8a)

It was only after the Court of Appeals decided the generic issue against petitioner that petitioner first asserted that the *Heileman* record is deficient.[13] And it was

13. See petitioner's petition to this Court in the *Heileman* case, which seeks this Court's review of this same issue. (App. D, pp. 14a-17a)

only after the District Court decided against petitioner in the present case that petitioner sought to introduce additional evidence on the generic issue, in the form of the results of a 2-day survey—which was submitted by petitioner at that late date as "newly discovered evidence."

In fact, petitioner received a full and fair opportunity to litigate the generic issue in the *Heileman* case, both in the District Court and in the Court of Appeals, and both of those courts have so ruled. Any assertion to the contrary by petitioner is totally unsupported by, and indeed refuted by, the evidence of record in this case.

Opportunity to Litigate. Both courts below considered and rejected petitioner's assertion that it did not have a full and fair opportunity to litigate the generic issue in the *Heileman* suit.

The Court of Appeals listed the relevant factors set forth in *Blonder-Tongue,* considered each factor separately, and found that petitioner had a full and fair opportunity to litigate. *Miller* v. *Schlitz, supra,* 605 F.2d at 992-5.

Moreover, the Court of Appeals was particularly well circumstanced to make that determination, since it was the same court that rendered the *Heileman* decision. And, as already noted, the District Court handling the *Heileman* case has reached the same conclusion. (App. E)

The Court of Appeals observed that petitioner selected the forum in the *Heileman* suit, and the time to sue, as well as the time and place to pursue its motion for a

preliminary injunction, and a possible final disposition of its case if an insuperable obstacle was found to be present. Further, it observed that petitioner realized and acknowledged the potentially dispositive effect of the *Heileman* ruling, both as to that suit and the other pending "Lite beer" cases. *Miller* v. *Schlitz, supra,* 605 F.2d at 992-3.

The Court of Appeals also found that the petitioner had an adequate incentive to litigate in the *Heileman* case, which petitioner has admitted, especially in view of the critical importance of the decision in that case to the other "Lite beer" litigation. *Id.*

The court also found that at the time petitioner moved for a preliminary injunction in the *Heileman* suit, extensive discovery had been undertaken in the present suit, where the generic issue was the first affirmative defense raised by respondent; that in support of its motion petitioner was free to introduce any evidence it desired; that petitioner and Heileman both represented the generic issue to be the controlling issue in the case; that petitioner also asserted that the record was voluminous and the facts undisputed, and there was no need for an evidentiary hearing; that petitioner fully recognized and acknowledged the potentially dispositive nature of the *Heileman* case, as a pilot case in the extensive "Lite beer" litigation; and that, in response to the representations of the parties, the Court treated the generic issue as the controlling issue in the case. *Id.,* 605 F.2d at 993-4. (App. A-C, pp. 1a-11a)

Petitioner characterizes the generic issue as a fact issue, but as already noted, and as petitioner urged in the *Heileman* case, there was no dispute as to the facts relevant to this issue. Rather, the court's determination involved the application of the law to undisputed facts. *Cf. Castner* v. *Coffman, supra.*

Moreover, as petitioner also urged in the *Heileman* case, there was no need for an evidentiary hearing, either to resolve factual disputes, since no such disputes existed, or to elicit additional evidence.

And the only additional evidence petitioner now points to concerning the generic issue, which was not of record in the *Heileman* case, is a survey report which was belatedly submitted after the District Court's decision in this case. The survey was slanted toward brand name identification, and even so, the report shows that "light beer" is a more common product name for light beer than "blended whiskey" is for blended whiskey. See footnote 3, p. 6.

Lastly, the Court of Appeals noted this Court's observation in *Blonder-Tongue* that "In the end, the decision [whether a full and fair opportunity has been afforded in a prior suit] will necessarily rest on the trial court's sense of justice and equity." And, it affirmed the trial court's decision on this issue. *Id.,* 605 F.2d at 995. Since that time, as already noted, two additional trial courts have reached the same decision, one of which is the court that handled the proceedings on petitioner's motion to enjoin Heileman.

Thus, as held by both courts below, the generic issue was fully and fairly litigated and resolved, and that resolution should be deemed conclusive.

Legal Error. Petitioner also asserts that the Court of Appeals applied an incorrect legal standard in *Heileman* for determining what is generic.

It is fundamental that if the doctrine of collateral estoppel is to impart finality to judicial determinations, its application cannot be conditioned upon a reassessment of the determinations that have been made. Thus, this Court recently quoted from *United States* v. *Moser*, 266 U.S. 236, 242 (1924) as follows:

> ". . . a *fact, question* or *right* distinctly adjudged in the original action cannot be disputed in a subsequent action, even though the determination was reached upon an erroneous view or by an erroneus application of the law." *Montana* v. *United States*, 440 U.S. 147, 162 (1979)

As authority for the examination of the *Heileman* decision for legal error, petitioner relies upon this Court's observation in *Blonder-Tongue* that a court reviewing a collateral estoppel defense should determine whether the prior ruling involved "one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit. . ." 402 U.S. at 333.

The *Montana* case makes it clear, however, that this Court's concern in *Blonder-Tongue* about relatively rare instances where a court "wholly failed to grasp" the technical subject matter and issues does not open the door to a search for legal error.[14]

14. Petitioner's efforts to have this Court review the substantive law of the *Heileman* case is both inappropriate here, as this Court clearly observed in *Montana*, and precisely what this Court declined to do in the appropriate vehicle for such a review, the *Heileman* case itself. (App. D, pp. 18a-20a)

With regard to the question of the court's grasp of the subject matter and issues in *Heileman*, it is clear from the opinion in that case that the court understood the subject matter and issues. Moreover, a different panel of the same court (with Judge Tone participating in, and writing the opinion for, both panels), reviewed petitioner's assertion to the contrary in the present case, and concluded that "The Court in *Heileman* did not fail to grasp the subject matter and the issue in suit." *Miller* v. *Schlitz, supra*, 605 F.2d at 993-4.

With regard to the legal correctness of the *Heileman* decision, the court in that case applied the correct law, its application of the law was correct, and its conclusion was correct.

The court observed that "If 'light beer' is a generic name, then 'light' is a generic word when used as a part of the name". *Miller* v. *Heileman, supra*, 561 F.2d at 80; *Miller* v. *Schlitz, supra*, 605 F.2d at 994. This is sound law. See, e.g., *Roselux Chemical Co.* v. *Parsons Ammonia Company*, 299 F.2d 855, 863 (CCPA 1962).

The court then proceeded to find, on the basis of a voluminous and undisputed record, and facts subject to judicial notice, that "light beer" is a generic and common descriptive name, and "light" as applied to beer is a generic and common descriptive word, and hence that "light" and its phonetic equivalent "Lite" are unavailable as trademarks for beer.

The fact that "light", the adjectival portion of the name "light beer", is a descriptive word does not militate against

the name "light beer" being generic. See, e.g., *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111, 117 (1938) (where this Court observed that the term "shredded" was repeatedly used as descriptive of the product "shredded wheat"). The same can probably be said for the adjectival portions of "soft coal", "hard coal", "blended whisky", "rosé wine", "rocking chair", and a host of other compound word names. See *Miller* v. *Heileman, supra,* 561 F.2d at 81.[15]

Also, the fact that a particular product has more than one name does not release any of those names for appropriation as a trademark. *Roselux* v. *Parsons Ammonia, supra,* 299 F.2d at 860.

Petitioner quotes Judge Learned Hand's observation in *Bayer Co.* v. *United Drug Co.*, 272 Fed. 505, 509 (S.D.N.Y. 1921) that "in all these cases" the question of genericism is a question of what the buyers understand by the word. The "cases" which Judge Hand had reference to in *Bayer* were those involving coined words (there "Aspirin") or other established trademarks asserted to have lost their trademark status by having become generic terms. See, *Restatement of Torts* (1938), §735(1). The *Bayer* case does not compel a survey of buyers in a case involving an attempt to appropriate an existing common descriptive and generic word from the public domain, where the public understanding of the word can be discerned from dictionaries, standard references, statutes and usage sufficiently common to permit judicial notice.

15. The marks READER'S DIGEST, RICE KRISPIES and others mentioned in the petition are inapposite. They have little in common with the generic word names such as "light beer", "blended whiskey" and others.

Moreover, no amount of advertising or promotional efforts, or public recognition generated by those efforts, can convert a common descriptive and generic word to a trademark. Thus, in *Weiss Noodle*[16] the court stated:

> ". . . merchants act at their peril in attempting, by advertising, to convert common descriptive names, which belong to the public, to their own exclusive use. Even though they succeed in the creation of de facto secondary meaning, due to lack of competition or other happenstance, the law respecting registration will not give it any effect." 290 F.2d at 848

Thus, public understanding was properly determined by the Court of Appeals in *Heileman,* and any public recognition which may have resulted from petitioner's advertising and promotional efforts cannot convert the generic term "light beer" to a trademark. Further, as already discussed, petitioner did not even suggest in the *Heileman* case that additional survey evidence was required before the court there could treat the generic issue. Rather, petitioner acknowledged that the generic issue was the prin-

16. *Weiss Noodle Co.* v. *Golden Cracknel and Specialty Co.*, 290 F.2d 845, 848 (CCPA 1961). And see *J. Kohnstram, Ltd.* v. *Louis Marx and Company,* 280 F.2d 437 (CCPA 1960); *Application of Preformed Line Products Company,* 323 F.2d 1007 (CCPA 1963); *Henry Heide, Incorporated* v. *George Ziegler Company,* 354 F.2d 574, 576 (7th Cir. 1965); *Abercrombie & Fitch Co.* v. *Hunting World, Inc.*, 537 F.2d 4, 9-10 (2nd Cir. 1976). In the *Singer* litigation, referred to in the petition, upon the expiration of Singer's patents, the trademark SINGER was found to have become generic for the type of sewing machine on which it was used while the patents existed, and its trademark status therefore antithetical to the required freedom of use of patented inventions upon the expiration of the patents. While the name SINGER was later found to have regained its trademark status, this holding is not in point here. *Singer Mfg. Co.* v. *Briley,* 207 F.2d 519. (5th Cir. 1953)

cipal issue in the case, and urged that the record was voluminous and no evidentiary hearing was required. (App. A & B, pp. 1a-8a)

Thus, while the defense of collateral estoppel cannot be defeated by the presence of error in the *Heileman* decision, that decision was clearly correct.[17]

17. Petitioner has cited three commentaries on the *Heileman* decision by trademark practitioners.

The first, in a supplement to a Gilson text, also criticizes the Second Circuit decision in *CES Publishing Corp.* v. *St. Regis Publications, Inc., supra,* which held "Consumer Electronics" to be generic as part of the name "Consumer Electronics Monthly" for a consumer electronics monthly publication. *Gilson, Trademark Protection and Practice* (1978 Supplement), pp. 22-23.

Mr. Gilson appears to conclude that the *Heileman* court reached the correct result for the wrong reason, since public policy would preclude exclusive trademark rights in a word which would prevent free market competition by depriving others of an essential competitive tool in the sale of their product. *Id.,* §2.09[2], p. 2-83.

The second, in *The Trademark Reporter,* was submitted to the Court of Appeals in this case after the oral hearing, with an acknowledgment that petitioner's counsel "is a member of the 'Annual Review Committee' of *The Trademark Reporter",* but that his only contribution to this portion of the article was "to furnish certain factual information at the request of the author." That acknowledgment was not included in the petition to this Court.

Respondent objects to petitioner's reliance upon this commentary. While petitioner's counsel may have contributed only "certain factual information", the facts stated in the commentary are, in part, that "the name of the product appears to be beer", and "An appropriate description of it could be 'light' ". In fact, as the *Heileman* record clearly establishes, the name of the product is "light beer", as well as "beer", and "light beer" has been the name of a kind of beer for 50 years or more. *Arthur J. Greenbaum, The Thirty-First Year of Administration of the Lanham Trademark Act of 1946,* 68 TM Reporter 687, 783-5 (1978).

The third commentary, by Mr. Kleinman, is difficult to follow. It begins with an incorrect statement of the *Heileman* holding, and it appears to suggest that a claimed trademark that "becomes" generic is cancellable under the Lanham Act, but one that has been generic from the outset is available for appropriation as a trademark. No authority is cited for this view, and we know of none. Petitioner has espoused a contrary view. *Miller* v. *Schlitz, supra,* 605 F.2d at 993-4. 3 Callman, *The Law of Unfair Competition Trademarks and Monopolies* (1978 Supplement), pp. 36-48.

Necessary and Essential. Petitioner also asserts that the *Heileman* ruling on the generic issue was not "necessary and essential" to the decision in that case, since the Court of Appeals could have reversed the preliminary injunction grant on the ground that petitioner had little likelihood of success on the mertis. This assertion is ill-founded. The court's ruling in *Heileman* that "light" is generic when applied to beer was necessary to its decision that petitioner's claims based upon its alleged trademark rights in "Lite" face an insuperable obstacle, and, consequently, cannot be maintained. *Miller* v. *Schlitz, supra,* 605 F.2d at 991-2. The fact that the court might have made some other decision has little bearing on the fact that the generic ruling was central to the decision that was made. *Cf. Parklane Hosiery* v. *Shore, supra,* 439 U.S. at 326, n. 5.

III. Lite *vs.* Light

The law is clear that a trademark registration may be cancelled "at any time if the registered mark becomes the common descriptive name of an article." 15 U.S.C. 1064(c), 1119; *Abercrombie & Fitch Co.* v. *Hunting World, Inc., supra,* 537 F.2d at 9, 13.

Moreover, one cannot appropriate a common descriptive or generic word simply by changing its spelling to a phonetically equivalent synonym. *Restatement of Torts* (1938), §725, p. 586; McCarthy, *Trademarks and Unfair Competition* (1973), §12.12B, p. 427; *Weiss Noodle Co.* v. *Golden Cracknel And Specialty Co., supra,* 290 F.2d at 847; *Cf.* 3 Callman, *The Law Of Unfair Competition, Trademarks and Monopolies,* §71.1(d), p. 143.

Thus, the District Court's order directing the cancellation of petitioner's registrations for "Lite" for beer was clearly proper.

IV. No Special and Important Reasons

No special and important reasons are present to warrant the issuance of a writ of certiorari in this case. Supreme Court Rule 19(1).

While petitioner asserts that light beer is not a generic and common descriptive designation for a kind of beer, that issue was resolved in the *Heileman* suit, and it cannot be relitigated here.

Nor is there any dispute between the circuits. Indeed, two District Courts in other "Lite beer" suits have found "light" to be a generic and common descriptive term when applied to beer. Footnotes 4 & 5, p. 7.

Moreover, the generic issue was fully and fairly litigated in *Heileman* even up to a petition to this Court for a writ of certiorari. And the Court of Appeals in this case was correct in finding that the *Heileman* case is dispositive of this issue.

Nor is there any dispute between the circuits as to the dispositive effect of the *Heileman* ruling on this issue. See App. E and F.

Thus, no grounds are present for a review by this Court, in this long-protracted litigation—any more than were present in petitioner's last petition for certiorari, two years ago, on most of the same issues presented by the current petition.

Conclusion

For the reasons stated, the petition for a writ of certiorari should be denied.

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APPENDICES

APPENDIX A

GENERIC ISSUE IN HEILEMAN

In petitioner's briefs filed in the appeal to the Court of Appeals for the Seventh Circuit in Miller v. Heileman, 561 F.2d 75 (7th Cir. 1977), the following statements appear:

APPELLEE'S MEMORANDUM IN OPPOSITION TO "EMERGENCY MOTION FOR AN ORDER SUSPENDING PRELIMINARY INJUNCTION DURING PENDENCY OF APPEAL."

"B. Can Miller Claim Trademark Rights To LITE?

"Though misstating the issue as one of attempted 'monopolization' of light,* Heileman is, plainly, addressing the principal issue in this case: Is LITE, the phonetic equivalent of 'light,' subject to appropriation as a trademark for beer? Certainly if it is not, Miller cannot prevail.

"The outlines of the law by which this question must be answered were recently set forth with care in Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2nd Cir. 1976):

[quotation omitted]

* Footnote not quoted.

"To summarize, very simply, if LITE (the phonetic equivalent of 'light') for less-filling, low calorie beer is generic, Heileman may use LIGHT for such product in any manner it chooses.

* * * *

"Heileman cites numerous cases holding marks to be generic." (pp. 16-21)

APPELLEE'S BRIEF

"STATEMENT OF ISSUES PRESENTED FOR REVIEW

"The Court below held that Miller[1] had demonstrated a strong probability that:

"a. The word LITE is capable of appropriation as a trademark and brand name for Miller's less filling low calorie beer;" (p. 1)

"SUMMARY OF ARGUMENT

* * * *

"2. For LITE to be incapable of appropriation as a trademark for less filling, low calorie beer, it must be generic for such beer." (p. 9)

"ARGUMENT

* * * *

---

1. Footnote not quoted.

"II

"LITE WAS AND IS CAPABLE OF APPROPRIATION AS A TRADEMARK OR BRAND NAME FOR MILLER'S LESS FILLING, REDUCED CALORIE BEER.

"Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2nd Cir. 1976) recently set forth the law applicable to this aspect of the case with precision, scholarship and clarity.[10] Indeed, Heileman cites it as authority. There are, then, four categories of trademarks or would-be trademarks. First is the generic, called 'common descriptive name' in the Lanham Act, which can never become a trademark." (pp. 12-14)

"...The question is whether it is generic for such beer." (p. 15)

"A. The Heileman Arguments.

"Is Miller's less filling, reduced calorie LITE beer a species of the alleged genus 'light' beer?

"The record shows that it is not, for at least two persuasive reasons.

"First, if 'light' is generic for this beer, one would expect brewers of the product to have called it 'light beer'; yet none of the three original brewers of less filling, reduced calorie beer did." (p. 16)

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10. Footnote not quoted.

"Second, Heileman itself demonstrated that 'light' is not generic for less-filling, low calorie beers. As its President showed, Heileman uses 'light' in marketing several of its 'regular' beers:..."

* * * *

"Heileman cites numerous cases holding various marks to be generic." (p. 18)

"B. The Schlitz Arguments.

"Amicus Schlitz properly begins its argument by equating 'common descriptive name' with 'generic' in its first sentence. Only once again does 'common descriptive name' appear. For the next ten pages, the formulation, 'common descriptive term' (or, once, 'word') is employed.

"This bit of semantic legerdemain is significant. 'Common descriptive name' is the Lanham Act formulation for generic. See the Abercrombie & Fitch case, supra, fn. 11. 'Common descriptive term' implies that any frequently used word is generic...

* * * *

"While Heileman relies upon court cases, Schlitz illustrates its argument with administrative decisions (and appeals from them). Schlitz begins by quoting McCarthy. The leading treatise more accurately focuses on the inquiry in this case:

'The distinction between descriptive and generic terms is a matter of degree.'" (pp. 21-22)

APPENDIX B

NO NEED FOR AN EVIDENTIARY HEARING IN HEILEMAN

In petitioner's briefs filed in the appeal to the Court of Appeals for the Seventh Circuit in Miller v. Heileman, 561 F.2d 75 (7th Cir. 1977), the following statements appear:

APPELLEE'S MEMORANDUM IN OPPOSITION TO "EMERGENCY MOTION FOR AN ORDER SUSPENDING PRELIMINARY INJUNCTION DURING PENDENCY OF APPEAL."

"...[Heileman] notes that there was no 'evidentiary hearing' but neither indicates nor suggests any significant fundamental fact in dispute which would have been resolved by such a hearing." (p. 35)

APPELLEE'S BRIEF

"...This case was brought before the District Court on a voluminous record, in which there were few if any disagreements as to fundamental facts." (p. 52)

"B. No Evidentiary Hearing.

"Both Heileman and Schlitz note that the injunction was issued on affidavits and after a lengthy non-evidentiary hearing, Heileman did not seek an evidentiary hearing at the time, and has yet to suggest what such a hearing would have

produced; there is no significant fundamental fact in dispute." (p. 53)

APPENDIX C

DISPOSITIVE EFFECT OF HEILEMAN DECISION

In petitioner's briefs filed in the appeal to the Court of Appeals for the Seventh Circuit in Miller v. Heileman, 561 F.2d 75 (7th Cir. 1977), or before the Judicial Panel on Multi-District Litigation, the following statements appear:

Before the Court of Appeals:

RESPONSE TO APPELLANT'S "EMERGENCY MOTION FOR AN ORDER SUSPENDING PRELIMINARY INJUNCTION DURING PENDENCY OF APPEAL, AND FOR EXPEDITED BRIEFING SCHEDULE"

> "...An authoritative ruling on some of the issues raised by Appellant seems likely to affect and shorten the course of several other pending litigations." (p. 1)

Before The Judicial Panel On Multi-District Litigation:

STATEMENT AND BRIEF OF MILLER BREWING COMANY OPPOSING TRANSFER TO A SINGLE DISTRICT

> "...Miller would anticipate that if it prevails on its present appeal in Heileman, and then succeeds at trial of the Peter Hand case, at least some accused infringers will capitulate. Miller recognizes that if it loses either of those cases on the merits, prosecution

of the others may be futile." (p. 14)

* * * *

"17. What is the status and possible effect of any appeals pending in any of the cases?

The Heileman appeal is about to be argued. It is Miller's view that it is vital that the appeal be heard and decided as soon as possible. The decision on that appeal could be a major step in resolving many or all of the 'Lite beer' cases." (p. 15)

OPINION AND ORDER

"...[t]he United States Court of Appeals for the Seventh Circuit..., in an opinion handed down on August 17, 1977, reversed the district court ruling and held that 'light' is a generic or common descriptive word when applied to beer, [and that] neither that word nor its phonetic equivalent may be appropriated as a trademark for beer." (p. 3)

* * * *

"...The recent appellate determination in Heileman that Miller's trademark is invalid, however, could have a dispositive effect upon all other actions, at least regarding the issue of trademark validity, because of the likelihood

that parties in the remaining actions will now seek collateral estoppel relief under the principles of Blonder-Tongue v. University Foundation, 402 U.S. 313, 91 S. Ct. 1434, 28 L. Ed.2d 788 (1971)." (p. 4)

IN THE

Supreme Court of the United States

October Term, 1977

No. 77-683

MILLER BREWING COMPANY,
Petitioner,

v.

G. HEILEMAN BREWING COMPANY, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND APPENDICES

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Reasons for Granting the Writ

1. The decision purports to deny Miller a full hearing on a question of fact—whether "LITE" (or "light") is generic—in ten cases.

Whether LITE is generic turns on a question of fact. More than half a century ago, Judge Learned Hand wrote:

> The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending? *Bayer Co.* v. *United Drug Co.*, 272 Fed. 505, 509 (S.D.N.Y. 1921).

It is still accepted law that public understanding is the test.[4]

None of the "facts" (Appendix A, pp. 9-12) upon which the Court of Appeals relied in vacating the grant of a preliminary injunction bore more than incidentally on "public understanding." Indeed, almost none came from the record the Court of Appeals conceded to be "less complete than that in at least one of the other pending cases" (Appendix A, p. 9).

Nevertheless, the holding of the Court of Appeals plainly is being read to establish for all time that "light" and LITE are generic and unprotectable. One LITE defendant stated:

> Although the Court decided the propriety of a preliminary injunction, it effectively determined the merits

4. 3 Callman, Unfair Competition Trademarks and Monopolies, §74.2, p. 237 at text prior to n. 71 (3d ed. 1969); 1 McCarthy, Trademarks and Unfair Competition §12.2 (A), pp. 406-7 (1973); Gilson, Trademark Protection and Practice §2.02 (1), p. 2-11 (1976); Pattishall & Hilliard, Trademarks, Trade Identity and Unfair Trade Practices, §3.23(1), p. 3-25 (1974).

> of Miller's claim since by holding that "light," together with its phonetic equivalents, is a generic or common descriptive word as applied to beer, it found as a matter of law that Miller cannot prevail on the merits.[5]

Defendant in another LITE suit has moved for summary judgment as to trademark infringement claims:

> The use of the unequivocal words "cannot" and "could not" show unequivocally that the Court of Appeals' holding was not based on a failure of proof but on the inherent unprotectability of the generic term "light," or the phonetic equivalent "lite," for beer. Thus, it is established as the law of the Seventh Circuit that "lite" may not be protected as a trademark for beer.[6]

Similarly, the Judicial Panel on Multidistrict Litigation has stated:

> . . . The recent appellate determination in *Heileman* that Miller's trademark is invalid, however, could have a dispositive effect upon all other actions, at least regarding the issue of trademark validity, because of the likelihood that parties in the remaining actions will now seek collateral estoppel relief under the principles of *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 . . . (1971).[7]

5. Robert C. Bernius, Esq. letter of August 23, 1977 to Trademark Trial & Appeal Board, Patent and Trademark Office in *The Genesee Brewing Company, Inc.* v. *Miller Brewing Company*, Cancellation No. 11,324.

6. *Miller Brewing Company* v. *Jos. Schlitz Brewing Co.*, U.S. Dist. Ct. E.D. Wis. Civ. Action No. 75-C-636, Memorandum in support of motion for partial summary judgment filed September 22, 1977, p. 6. Miller is resisting the motion, in part on the grounds mentioned in this point.

7. In re "Lite Beer" Trademark Litigation, MDL Docket No. 302, Opinion and Order filed September 13, 1977, p. 4.

Courts have repeatedly held that the outcome of a motion for preliminary injunction cannot control the ultimate merits of a cause except under the most extraordinary circumstances. (Those circumstances arise only when it appears there is "insuperable objection to maintaining the bill," in which case the action must be dismissed. *Deckert* v. *Independence Corp.*, 311 U.S. 282, 287 [1940]. Here, the Court of Appeals did not order the action dismissed.)

> "Ordinarily an appellate court, upon an appeal from an order granting or denying a temporary injunction, will not go into the merits of the case further than is necessary to determine whether the trial court exceeded a reasonable discretion in making the order, and this is especially true where the rights of the parties can only or can better be determined upon full proof of the facts." [quoting *Pratt* v. *Stout*, 85 F.2d 172, 177 (8th Cir. 1936)].
>
> It must be borne in mind that the parties did not submit the case to the trial court on its merits. It can not be gain-said that the questions of law and fact to be ultimately determined in the action are grave and difficult. The decision of the trial court on granting the motion for preliminary injunction will not estop either of the parties on the trial of the case on its merits, nor would any determination of those questions by this court on appeal be binding on the trial court nor upon either of the parties in considering and determining the merits of the controversy. . . . There is sound reason for the rule that the decision of either the trial or appellate court in granting or denying the temporary injunction does not constitute the law of the case and will not estop the parties nor the court as to the merits of the case. . . . *Benson Hotel Corp.* v. *Woods*, 168 F.2d 694, 697 (8th Cir. 1948).

As shown above, the Court of Appeals decision is being read as the death knell for Miller in this and nine other cases.[8] It is so read because the Court of Appeals substituted its judgment for that of the District Court on a factual issue as to which neither litigant had developed more than the preliminary record normal for hearings of preliminary injunction motions. Such a result effectively denies Miller its right to its day in court and to a full and fair hearing in ten cases of the critical issue—whether the meaning to the public of LITE or "light" is such that it is generic for beer with reduced calories. "We think the court committed serious error in thus dealing with the case upon motion for temporary injunction." *Mayo* v. *Canning Co.*, 309 U.S. 310, 316 (1940). See *Capital City Gas Company* v. *Phillips Petroleum Company*, 373 F.2d 128, 131 (2nd Cir. 1967); *Nationwide Amusements, Inc.* v. *Nattin*, 452 F.2d 651, 652 (4th Cir. 1971); *Sooner State Dairies, Inc.* v. *Townley's Dairy Company*, 406 F.2d 1328 (10th Cir. 1969).

This practice is contrary to the procedures employed in this Court and other Courts of Appeals for affording litigants a fair hearing, and constitutes such a departure from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

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8. Miller raised this point in its Petition for Rehearing, which was denied summarily.

2. The creation of a new legal standard for determining what is generic—as fundamental an issue as can be found in trademark law—merits correction by this Court before it infects numerous other litigations.

The cornerstone of the Court of Appeals decision is the equation of "generic" with "common descriptive word" or "term". That equation is unprecedented. The "common descriptive" phraseology comes from the Lanham Act formulation of what is generic as "common descriptive name of an[y] article or substance." Substitution of "term" or "word" for "name of an[y] article or substance" totally changes the meaning, as the Court's own reasoning demonstrates.

The Court of Appeals begins by stating that a "term . . . which is commonly used as the name or description of a kind of goods . . . cannot become a trademark under any circumstances." Appendix A, p. 7. The principal authority relied upon for that proposition is *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526, 528 (1924). After the *Warner* decision, *Armstrong Paint & Varnish*, (*supra*, p. 5) and the Lanham Act (§2(f), 15 U.S.C. §1052(f)) have recognized expressly that terms which describe goods are no longer ineligible for trademark protection, but may, upon acquisition of secondary meaning, acquire trademark status.[9]

9. It should perhaps be noted that the Court of Appeals found there to be "enough evidence" to support the District Court's finding of secondary meaning (Appendix A, p. 8, n.6). Moreover, §33(b)(4) of the Lanham Act, 15 U.S.C. §1115(b)(4), affords adequate safeguards for continued use by others of such terms in their descriptive sense.

Having correctly noted that a "descriptive [or merely descriptive] term specifically *describes* a *characteristic* . . . of an article" (Appendix A, p. 7, emphasis added), the Court of Appeals introduces its exposition of why " 'Light' is generic" with the statement that " 'Light' has been widely used in the beer industry for many years to *describe* a beer's color, flavor, body, or alcoholic content, or a combination of these or similar *characteristics*" (Appendix A, p. 9, emphasis added).

The Court then proceeds to illustrate several more instances in which "light" describes characteristics of beer (and other things). From this basis of illustrations, each of which establishes that "light" is descriptive under the Court's own test, the Court of Appeals then concludes that "light" is generic—a totally incongruous legal result with drastically different consequences.

This merits review for two reasons.

First, There can hardly be a more basic question to trademark law than what standards are used to determine what qualifies for protection at the outset. Here, Miller has invested years of effort and tens of millions of dollars in building consumer acceptance of a registered trademark suddenly held to be invalid. The proposition that a word is generic because it is descriptive, even if its descriptive use is comon, demolishes the basic distinction between what is generic and unprotectable and what is descriptive and protectable. It is an entirely new formulation of law, having no apparent roots in either precedent or logic. This area of trademark law has developed without this Court's

guidance or attention for nearly four decades.[10] Now that there has been a fundamental departure from the orderly judicial development of this basic foundation of trademark law, it is important that this Court articulate the standards for determining what is generic.

Second, the decision below promises to have an industry-wide impact, and to dictate the outcome of ten cases in eight different Courts. Without correction by this Court, the decision below threatens to implant an erroneous concept of law in a number of decisions (and precedents), and consequently to have far greater impact on the entire fabric of trademark law than would be suggested by this one case's limits.

3. The decision departs from settled statutory and decisional law relative to the scope of registrations.

Because Miller's registrations of LITE are for "beer with no available carbohydrates" and because Heileman's product contains some "available carbohydrates", the Court of Appeals appears to hold that the registrations are not infringed (Appendix A, pp. 5-6).[11] The Court of Appeals evidently predicates this conclusion upon the observation that the statutory presumption of Lanham Act §33(a), 15 U.S.C. §1115(a), that registration "shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods . . . specified in the registration" does not, literally, apply.

10. The last case which touched on this question appears to be *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111 (1938), which accepted, rather than determined, that "shredded wheat" was the name of the substance.

11. The record made before the District Court on the meaning of "available carbohydrates" is sketchy, and inconclusive, at best.

The test of infringement, however, is whether the "goods" (and mark) of the putative infringer are so similar as to be "likely to cause confusion, or to cause mistake, or to deceive . . .". Lanham Act §32(1), 15 U.S.C. §1114(1). The settled law of every Circuit is that minor differences in products do not avoid infringement. See, *e.g.*, *Union Carbide Corp.* v. *Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.) *cert. denied* —— U.S. ——, 97 S.Ct. 91 (1976)—mark for batteries, etc. infringed by similar mark for high intensity lamps; *James Burrough Ltd.* v. *Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976)—mark for gin infringed by similar restaurant name.

In the contexts of the other errors, this is a sufficient departure from settled statutory and decisional law as to merit correction by this Court.

Conclusion

For the reasons stated, the petition for a writ of certiorari should be granted.

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Of Counsel

APPENDIX E

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

MILLER BREWING COMPANY,
Plaintiff,

v.

G. HEILEMAN BREWING COMPANY,
Defendant.

76-C-584

This is an action for trademark infringement, false designation of origin, and unfair competition. Since the time that this case was initiated, plaintiff has secured a preliminary injunction in this court against defendant's use of the words "light" or "LITE" as a trademark for beer; has lost the preliminary injunction in the Court of Appeals for the Seventh Circuit; and has been denied a motion for certiorari by the United States Supreme Court. The case is before this court on an order to show cause why plaintiff's claims should not be dismissed.

Plaintiff contends that there are numerous issues which remain to be tried in this case. However, a close review of plaintiff's contentions reveals that the major issues have been resolved with finality by the Court of Appeals, which held that the word "light" is a "generic or common

descriptive word when applied to beer," and that neither the word "light" nor its phonetic equivalent, "LITE," may be appropriated as a trademark for beer. That holding is the law of the case and constitutes "an insuperable obstacle to the plaintiff's success on the merits."

Plaintiff contends that the holding of the Seventh Circuit Court of Appeals is not "final," because it was entered on an appeal of a motion for preliminary injunction, not on appeal of a decision after trial. Plaintiff contends that a decision on granting or denying the preliminary injunction does not preclude it from litigating the merits of the case. However, a decision need not be final in the formal sense to preclude further litigation on the matter. As the Court of Appeals noted in its decision in Miller Brewing Company v. Jos. Schlitz Brewing Co., No. 78-2011, Slip Op. at 11 (7th Cir. September 6, 1979),

> "To be 'final' for purposes of collateral estoppel [a] decision need only be immune, as a practical matter, to reversal or amendment. 'Finality' in the sense of 28 U.S.C. §1291, is not required."

In determining whether a decision should be considered final, a court may consider such factors as the nature of the decision, the adequacy of the hearing, and the opportunity for review. See, Lummus Co. v. Commonwealth Oil Refining Co., 297 F.2d 80, 89 (2d Cir. 1961),

cert. denied, 368 U.S. 986 (1962).

It is clear from the review of the Court of Appeals' decision in Miller Brewing Co. v. G. Heileman Brewing Co., Inc., 561 F.2d 75 (1977), that there was nothing tentative about the holding in that case. Any argument to the contrary is disspelled by the decision in Miller Brewing Company v. Jos. Schlitz Brewing Co. With respect to the adequacy of the hearing, it was plaintiff who chose the forum and plaintiff who chose to seek a preliminary injunction in this court against defendant, in spite of the fact that plaintiff had a suit against the Jos. Schlitz Brewing Company pending in the United States District Court for the Eastern District of Wisconsin and had conducted extensive discovery and trial preparation in that case. Plaintiff was not foreclosed from offering any evidence it chose in support of its motion for preliminary injunction in this case. In its review of the Schlitz case, the Court of Appeals noted,

> "While Miller now complains that there was no evidentiary hearing in that case [referring tc the Heileman case in this court], it did not seek one, choosing rather to present its case by affidavits, which of course allowed counsel to participate in composition of the testimonial statements. Indeed, when Heileman referred in its brief in this court to the absence of any evidentiary hearing, Miller responded in its brief that

> 'Heileman . . . has yet to suggest what such a hearing would have produced; there is no significant fundamental fact in dispute.'" Slip Op. at 9.

Finally, plaintiff has had ample opportunity for review of the decision on its motion for preliminary injunction.

I find and conclude that the holding that "LITE" is a generic or common descriptive word when applied to beer is a determination that constitutes an insuperable obstacle to the plaintiff's success on the merits and that there is no good reason for permitting the issue to be litigated again. Indeed, because the holding in the decision of the Court of Appeals is the law of the case, it is unlikely that further litigation of the issue could be permitted. Accordingly, I will dismiss plaintiff's claims of trademark infringement and false designation of origin.

With respect to plaintiff's claim of unfair competition, I adopt the view of the Court of Appeals for the Seventh Circuit in the Schlitz case; that is, that taking a liberal view of federal pleadings and considering the fact that counterclaims are still pending in this case, plaintiff should be given an opportunity to state an unfair competition claim. Of course, that claim can not be based solely on the allegation that defendant is not entitled to used "light" or its phonetic equivalent in describing its beer.

ORDER

IT IS ORDERED that this complaint is DISMISSED with respect to plaintiff's claims for trademark infringement and false designation of origin.

Entered this 13th day of September, 1979.

BY THE COURT:

/s/ James E. Doyle
JAMES E. DOYLE
District Judge

APPENDIX F

IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF PENNSYLVANIA

MILLER BREWING COMPANY)

V.) Civil Action
No. 77-18 Erie

ERIE BREWING COMPANY)

Dated: November 1, 1979.

MEMORANDUM GRANTING IN PART DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

This is another chapter in the ongoing litigation involving the use of the trademark "LITE" as a trademark for beer as against the use of the word "light" used by defendant in connection with its product.

Plaintiff has been rebuffed in all of its attempts to claim protection for its trademark. The Seventh Circuit has twice held that this is generic and unprotectable. See Miller Brewing Co. v. G. Heilman Brewing Co., 561 F 2d 75 (7th cir 1977) cert den 434 US 1025. The Seventh Circuit has again affirmed its holding as against the contention that the first opinion was on a preliminary injunction matter only and has held that the matter is final. Miller Brewing Co. v. Joseph Schlitz Brewing Co., No. 78-2011, ____F 2d ____ (7th cir 9/6/79).

To buttress the matter further the District Court for the Western District of Wisconsin in the Heilman case has held that the matter is final. The court, however, indicated that the plaintiff should be given an opportunity to state an unfair competition claim if it can. (76-C-584) September 18, 1979.

In the present case, we have counts 1 and 3 based upon trademark violation and false branding, with counts 2 and 4 containing allegations for damages in these matters. Count 5 is a count for unfair competition and count 6 is for damages resulting from the same.

We hold that the doctrine of collateral estoppel as enunciated by the U.S. Supreme Court in Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 US 313 (1971) presents an insuperable obstacle to plaintiff's success on the merits on counts 1, 2, 3 and 4 and will enter summary judgment on the same.

The counts for unfair competition, viz: counts 5 and 6, however, must be disposed of otherwise. Of course, as pointed out by the Wisconsin District Court in the Heilman case (76-C-584) September 18, 1979, "that claim cannot be based solely on the allegation that defendant is not entitled to use "light" or phonetic equivalent in describing its beer.

We therefore hold as determined

by the Court of Appeals for the Seventh Circuit that the word "LITE" is a generic or common descriptive word when applied to beer and that neither the word "light" nor its phonetic equivalent "LITE" may be appropriated as a trademark for beer.

An appropriate order will be entered.

/s/ William W. Knox
U.S. District Judge

CC: Counsel of record.

Ed. note: "Heilman" should be spelled "Heileman" throughout.

APPENDIX G

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

MILLER BREWING COMPANY,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action
	)	
JOS. SCHLITZ BREWING CO.,	)	No 75-C-636
	)	
Defendant.	)	

AMENDED ANSWER

* * * *

A-26. The United States Court of Appeals for the Seventh Circuit, in the case of Miller Brewing Co. v. G. Heileman Brewing Co., Appeal No. 77-1246, held in a decision dated August 17, 1977, that the word "light" is a generic or common descriptive word when applied to beer, and that neither that word nor its phonetic equivalent "lite" may be appropriated by plaintiff as a trademark for beer.

A-27. By virtue of the aforesaid decision, or other decisions holding plaintiff's trademark rights in "light" or "lite" invalid or unenforceable, plaintiff is collaterally estopped from asserting against defendant any alleged rights in the word "light" or "lite" as a trademark for beer.